PG&E Corporation

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August 31, 2026

The Honorable Monique Limon
President pro Tempore, California State Senate

The Honorable Robert Rivas
Speaker, California State Assembly

RE: Senate Bill 492

Dear President pro Tempore Limon, Speaker Rivas, and Members of the California Legislature:

Senate Bill 492 fails to provide a durable, long-term solution for compensating wildfire victims, sustaining the Wildfire Fund, and managing the financial risk created by California's wildfire liability framework, which worsens affordability for utility customers and challenges the State's clean energy goals. By leaving these fundamental problems unresolved, the bill creates continued uncertainty for wildfire victims and exposes utility customers to higher costs and California's economy to continued risk.

In particular, SB 492 does not deliver adequate compensation for wildfire victims nor priority in receiving it. The bill's new fast-pay process is a step forward, but it draws on the same limited Wildfire Fund. It maintains insurers' subrogation claims and fails to give priority to victims, and it does nothing to protect what victims actually take home: the contingency fees that have historically consumed 25 to 40 percent of recoveries remain untouched.

Already the financial consequences are apparent. Customers currently pay hundreds of millions of dollars annually to attract the investment necessary to meet California's climate goals. The State's investor-owned utilities have collectively lost more than $20 billion in value from market close on Thursday through Monday morning's market opening. Further, increased costs of borrowing, driven by bondholder reactions or credit agency actions, will only exacerbate the affordability crisis for customers. The recent California Earthquake Authority's (CEA) Study Report estimates that, without comprehensive reform, customers could face added costs of $90 to $120 per year, with further increases possible as utilities pay a premium to finance necessary investments. Additional customer costs are also likely if legislation to constrain ROEs, memo accounts, and standard ratemaking proceedings is enacted as these changes will further weaken cash flows and credit measures.

The bill falls well short of establishing the conditions necessary to affordably invest in the energy infrastructure California requires. California's utilities must attract tens of billions of dollars in private investment each year to reduce wildfire risk, strengthen the electric grid, maintain reliability, support economic growth, and achieve the State's climate and clean energy goals. While the State regulates utilities' operations, the Legislature cannot mandate that investors provide capital. The institutions that provide funding must be willing to invest—and today, those investors face risks in California unlike in any other state. Faced with those risks, investors demand a higher return or invest elsewhere. Either outcome makes essential infrastructure more expensive and places additional pressure on electricity rates. These financial risks will have cascading impacts on the State's economy and its climate ambitions.

The CEA Study Report concluded that California's existing wildfire liability framework and funding mechanisms are insufficient—SB 492 does little to change that. Wildfire victims could again face the risk of becoming unsecured creditors in a future utility bankruptcy, while victims of non-utility-caused wildfires would continue to have limited and insufficient avenues for recovery. Californians will face higher electricity bills, and the State will find it increasingly difficult and costly to attract the capital needed for a safe, reliable, and resilient energy infrastructure. The absence of comprehensive reform, combined with proposals that would further restrict cost recovery, deepens investor concerns and further erodes California's ability to attract affordable capital.

SB 492 leaves California at risk of constrained investment, higher utility bills, less spending, and fewer jobs. California cannot afford to leave these fundamental problems unresolved.

We remain committed to working constructively with the Legislature, Governor, regulators, and stakeholders to develop the comprehensive solution California urgently needs.

Sincerely,

Patricia K. Poppe

**Patricia K. Poppe**
Chief Executive Officer
PG&E Corporation

**Pedro J. Pizarro**
President and Chief Executive Officer
Edison International